

	<p style="text-align: center;">SOLICITATION AMENDMENT</p> <p>Solicitation Number: <u>RFP YH09-0001</u> Amendment Number Two Solicitation Due Date: <u>March 28, 2008, 3:00 PM (MST)</u></p>	<p>Arizona Health Care Cost Containment System (AHCCCS) 701 East Jefferson Phoenix, Arizona 85034</p> <p>Solicitation Contact Person: Michael Veit, Contracts and Purchasing Administrator E-mail: <u>Michael.Veit@azahcccs.gov</u></p>
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A signed copy of this amendment must be returned with the proposal and received by AHCCCSA on or prior to the Solicitation due date and time. This solicitation is amended as follows:

1. **AMEND** Section D. ¶1, TERM OF CONTRACT AND OPTION TO RENEW item “f.” in the listing to read as follows:

“Cooperation with any open reconciliation activities including, but not limited to, PPC, MED Prospective or SSDI-TMC until release has been granted by AHCCCS.”
2. **ADD** Section D. ¶53, COMPENSATION below the subparagraph titled “Reconciliation of PPC Costs to Reimbursement” the following subparagraph:

“Reconciliation of Prospective MED costs to Reimbursement: AHCCCS will reconcile the Contractor’s prospective MED medical cost expenses to prospective MED net capitation paid to the Contractor for dates of service during the contract year being reconciled. This reconciliation will limit the Contractor’s profits and losses to 3%. Any losses in excess of 3% will be reimbursed to the Contractor, and likewise, profits in excess of 3% will be recouped. Encounter data will be used to determine medical expenses. Refer to the *Prospective MED Reconciliation Policy* included in the ACOM for further details.

For all Contractors, the PPC TWG population, both MED and non-MED, will be reconciled with the PPC reconciliation referred to above.”
3. **REPLACE** Section I. INSTRUCTIONS TO OFFEROR’S with Attachment A of this Solicitation Amendment (#2) with the ACUTE CARE RFP YH09-0001.
4. **REPLACE** Section I. ¶14, CONTENTS OF OFFEROR’S PROPOSAL Subsection III. CAPITATION, Subparagraph 2 with the following:

“Prior Period Coverage (PPC), MED Prospective, Delivery Supplement, SOBRA Family Planning, SSDI-TMC and State Only Transplant rates will be set by the AHCCCS actuaries and not bid by the Contractor, See Section D, Paragraph 53, Compensation, for information regarding risk sharing for the PPC time period, MED Prospective members and the SSDI-TMC members. All other risk groups will be subject to competitive bidding.”
5. **AMEND** Attachment E. INSTRUCTIONS FOR PREPARING CAPTITATION PROPOSAL the listing of risk groups to exclude MED as follows:
 1. TANF <1
 2. TANF 1-13
 3. TANF 14-44 Female
 4. TANF 14-44 Male
 5. TANF 45+
 6. SSI with Medicare
 7. SSI without Medicare
 8. AHCCCS Care (Non-MED)

6. **AMEND** Section E. CONTRACT CLAUSES Paragraph 26, Disputes, first sentence of subparagraph two to read “Except as provided by 9 A.A.C. Chapter 22, Article 6, the exclusive manner...” formerly read “Except as provided by 9 A.A.C. Chapter 28, Article 6, the exclusive manner...”
7. **REPLACE** Attachment A. MINIMUM SUBCONTRACT PROVISIONS with Attachment B of this Solicitation Amendment (#2) within the ACUTE CARE RFP YH09-0001.
8. **REPLACE** Attachment A. MINIMUM SUBCONTRACT PROVISIONS Paragraph 8, Confidentiality Requirement, with the following: “The Subcontractor shall safeguard confidential information in accordance with federal and state laws and regulations, including but not limited to, 42 CFR Part 431, Subpart F, ARS §36-107, 36-2903, 41-1959 and 46-135, AHCCCS Rules, the Health Insurance Portability and Accountability Act (Public Law 107-191, 110 Statutes 1936), and 45 CFR Parts 160 and 164.”
9. **REPLACE** Attachment A. MINIMUM SUBCONTRACT PROVISIONS Paragraph 10, Contract Claims and Disputes, with the following: “Contract claims and disputes arising under A.R.S Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules and A.R.S. §36-2903.01.”
10. **AMEND** Attachment C. of Amendment #1 QUESTIONS AND RESPONSES, AHCCCS Response to Question Number 15, Sentence four to read “8.5%” where it formerly read “9%” as follows:

“Administrative trends are included at 8.5% of gross medical costs and 2% of gross medical for risk contingency.”
11. **ADD** Attachment C. of Amendment #1 QUESTIONS AND RESPONSES, AHCCCS Response to Question Number 15, the following paragraph to the end of the Response:

“Based on continued analysis as part of the capitation rate range development and the resulting change in the base capitation rates since the last RFP rebase, AHCCCS has determined that a lower Administrative percentage is appropriate and will utilize 8.5% as the administrative percentage. Any policies, RFP amendments or other documentation that refer to a 9% Administrative percentage will be changed to read 8.5%. However, the Administrative Cost Percentage for the Financial Viability Standards referred to in Section D, Paragraph 50, will remain at 10%.”
12. **INCORPORATE** the Questions and Responses, Attachment C to this Solicitation Amendment (#2), as part of the ACUTE CARE RFP YH09-0001.

Offeror hereby acknowledges receipt and understanding of this Solicitation Amendment.		This Solicitation Amendment is hereby executed this 14 th day of March, 2008, in Phoenix, Arizona.
Signature	Date	
Typed Name and Title		Michael Veit
		Contracts and Purchasing Administrator
Name of Company		